

From: James Emerson Willis
To: Microsoft ATR
Date: 12/3/01 3:04pm
Subject: Settlement Fails to Address Bundling

Unless I missed something, the reason microsoft is able to dominate so many markets is because they bundle their products into the OS (Netscape died because Microsoft bundled IE).

Since most people in DOJ are probably not tech-heads, let me give an analogy about Televisions and Toasters. Let's say there's only one company that makes televisions (let's call them company A). However, there are many companies that makes good toasters (companies B and C). One day, company A decides they would like to be the king of toasters as well. So, since everyone needs a TV, they will throw in a "free" company A toaster with every TV they sell. (The important thing to note, is that the toaster is not really free, but included with the cost of the TV). Although company A's toaster isn't great, people don't see the need to go out and buy any others. Eventually, companies B and C go bankrupt.

With the compatability measures you talk of, it will make applications on the operating system no different from company to company. But if the consumer is forced to buy your product because of bundling, it's a rather moot point for anyone else trying to compete.

Windows XP bundles additional products with the operating system people used to buy seperately (i.e. firewall software). Although microsoft's products are initially inferior, they eventually win out since users are forced to pay for its development even if they don't use it.

Thank you for your time.

--James Willis